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ON CIA RADIO AID

Senators Seek Fund Limit
For Broadcasts To East*Washington Bureau of The Sun*

Washington—The Senate Foreign Relations Committee voted yesterday to end covert CIA financing of Radio Free Europe and Radio Liberty, which broadcast into Eastern Europe and the Soviet Union.

The committee approved by voice vote a bill offered by Senator Clifford P. Case (R., N.J.) to authorize a one-year appropriation of no more than \$35 million to keep the two stations functioning.

Corporation Sought

The funds would be administered through the State Department and the stations would be prohibited from obtaining financial support from any other source.

The administration had agreed to support open financing of Radio Free Europe and Radio Liberty, but had proposed instead the creation of a non-profit corporation called the American Council for Private International Communications to funnel the funds.

The State Department had argued that this approach would maintain the "private character" of the operation, but it was rejected yesterday by the Foreign Relations Committee.

CIA Link Not Denied

Radio Free Europe was founded in 1950 and Radio Liberty in 1951. Both organizations have offices in New York and purportedly operate with funds from private sources.

It has been understood, however, that the operations were financed by the CIA, and Senator Case's assertion that nearly all of the stations' \$10 million-a-year operating cost were paid by the CIA has never been denied, although never openly acknowledged.

Senate sources said one reason the administration wanted to avoid direct government financing of the two stations was that it would cause diplomatic problems for West Germany, where Radio Free Europe and Radio Liberty have their headquarters.

The stations also have transmitters in Taiwan—the last to transmit into the Soviet Union.

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U.S. Backs a Corporation To Fund Radio Free Europe

By Marilyn Berger
 Washington Post Staff Writer

The Nixon administration yesterday announced its support for the creation of a publicly funded private corporation to finance Radio Free Europe and Radio Liberty, ending their reliance on money from the Central Intelligence Agency.

As the government moved to end covert financing of the stations that broadcast to Eastern Europe, Sen. J. W. Fulbright (D-Ark.) questioned whether they should continue to operate at all.

"If there is any expectation of improving relations with Russia," the chairman of the Foreign Relations Committee said, "it seems to me that this kind of activity... to continue to stir up trouble in Eastern Europe and Russia is contrary to the President's own policy."

Fulbright challenged efforts to continue the two stations, which have headquarters in West Germany, at the start of committee hearings to create a corporation to fund them. Assistant Secretary of State for European Affairs Martin Hillenbrand presented the government position in testimony to the committee.

Efforts to bring Radio Free Europe and Radio Liberty under congressional scrutiny began when Sen. Clifford P. Case (R-N.J.) proposed that Congress end covert CIA financing.

"During the last 20 years," he said in a prepared statement to the committee, "several hundred million dollars of U.S. government funds have been expended from se-

cret CIA budgets to pay almost totally for these two radio stations broadcasting to Eastern Europe; yet, at no time was Congress asked to or permitted to carry out its traditional constitutional role of approving the expenditures."

Hillenbrand did not admit that the CIA had financed the stations, but he offered to discuss the "history" of the stations in executive session. The offer touched off a renewed effort by Fulbright for public disclosure by the administration of its activities.

"There are certain sensitivities of other governments here," Hillenbrand said.

"The sensitivity," Fulbright replied, "is in the effort to prevent this committee from getting information." Fulbright was raising an old issue of the department's refusal to discuss funding of troops in Berlin. "Has it never occurred to you that Congress and this committee are sensitive too?" he asked.

The committee is now faced with the alternative of finding a formula for financing the radio stations acceptable to the administration or, failing that, with the prospect of the CIA continuing its current role, Fulbright noted privately after the committee session.

The senator said he would favor disbanding both Radio Liberty and Radio Free Europe altogether but doubted that sufficient votes could be obtained in Congress. He also expressed concern that, even if CIA financing is ended, it would still be difficult to end CIA influence in the organizations.

The State Department took Case's proposal and developed its own plan for open funding through a non-profit corporation to be known as the American Council for Private International Communications, Inc. Throughout the hearing yesterday Fulbright questioned how the council could operate privately with public funds. According to Case, RFE and Radio Liberty now get \$40 million a year.

Hillenbrand drew an analogy with Public Broadcasting and said that the organization would operate with autonomy under a board of directors and would "not be beholden to the U.S. government for instructions."

Hillenbrand stressed the importance of preserving the "private character" of the stations. "In contrast to international radios which are identified as government agencies," he said, "Radio Liberty and Radio Free Europe are able to report and comment on the domestic affairs of other nations, much as would any commercial medium operating in a democracy." He said it was also necessary for them to remain private to maintain their present transmitting licenses.

Fulbright said he would not vote for the administration bill to create a private corporation, but would look to a compromise that would provide for open funding. "Then," he said, at least there would be a better opportunity to stop it next year or the next."

Fulbright called the stations "an instrument to keep alive the animosities of World War II."